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# Teaching about Global Debt in Social Studies Classrooms

by Anand Marri, Tim Patterson, and Scott Wylie

During this summer the federal government of the United States struggled to overcome an unprecedented impasse over the federal debt. The historically pedestrian vote to increase the federal debt ceiling has become a contentious issue as the government negotiates measures to reduce spending and increase revenues. Failure to increase the debt ceiling would have meant default on the United States' financial obligations and a lowering of the nation's credit rating, a weaker dollar, and a slow down of economic growth. Newspaper headlines revealed the extent of lawmakers' disagreement and the economic stakes in play: "U.S. Debt Crisis: Are We at the Brink?," "Showdown Nears on Debt as Obama Warns of Crisis," "Delay In Debt Plan Vote Stokes US Uncertainty."

While Americans have grown accustomed to partisan political wrangling in Washington, D.C., the current debate has garnered an international audience. The *Sydney Morning Herald* called the default date "Economic D-Day in [the] US." The United Kingdom's *Telegraph* reported, "Stock markets across the world tumbled and gold hit a fresh high as leaders in Washington failed to halt America's slide towards default." Senior Chinese officials were "appalled" by the inability of U.S. politicians to break the gridlock concerning the debt ceiling.

With the United States' fiscal crisis spotlighted on the world's stage, one would assume that all eyes would be focused on Washington awaiting the outcome of the debate. High school students and other young people, however, continue to be largely missing from that audience. According to the Pew Research Center young Americans (18-29) know little about national and international affairs when compared with older citizens. Most young Americans lack an adequate understanding of federal debt. Thus, students' voices are absent from the public policy debate and cannot influence the decisions that directly impact their lives.

As these issues are not typically discussed in civics or economics courses at the secondary level, it is unlikely that they would be discussed at any length in global studies courses. Yet, the United States economy is inextricably linked to global financial systems. Christine Lagarde, managing director of the International Monetary Fund recently argued that a United States default would be "a very, very serious event . . . Not for the United States alone, but for the

global economy at large because the consequences would be far-reaching."

## U.S.: A Safe Investment

Nations that have traditionally seen the United States as a safe investment are now starting to have second thoughts. Gillian Tett, U.S. managing editor for the *Financial Times* recently reported that the "the scale of disenchantment and unease that's afoot now, particularly in Asia, is very striking." Italian Economy Undersecretary Bruno Cesario said the effects of a U.S. default would be "completely unpredictable" and German Finance Minister Wolfgang Schäuble charged, "Everyone in the USA needs to be aware of their responsibility for the world financial markets."

The challenges of debt are not limited to the United States. National governments issued an estimated \$4.5 trillion in debt in 2010, almost triple the average for mature economies over the preceding five years. This number is expected to rise over the next several years. The rising total is important for two reasons. First, when debt rises faster than economic output (as it has been doing in recent years), higher government debt implies more state interference in the economy and higher taxes in the future. Second, debt must be rolled over at regular intervals. This creates a recurring popularity test for individual governments. If governments fail that vote, the nation can be plunged into imminent crisis. So the higher the global government debt total, the greater the risk of fiscal crisis, and the bigger the economic impact such crises will have.

Unfortunately, the international implications of global debt can seem distant to high school students and appear completely unrelated to their lives. The intricacies of international economic relations can be confusing to all but the most dedicated policy wonks and political junkies. These regrettable truths can make it difficult to engage students in the study of this very important issue. Yet, if there is one issue that is near to every adolescent's heart, it is fairness.

Students may find it interesting to learn that with federal spending caps likely to be part of any deal on the debt ceiling student aid is facing some sort of major cut. Pell grants, designed to help low-income students pay for college, have become a source of contention in the financial debate and many students fear this funding may not be available to help pay for their education. At the same time, lawmakers are debating

whether or not to continue the Bush-era tax cuts, which assigns the wealthiest Americans their lowest tax rate since 1991. Regardless of students' stances on these issues, a classroom discussion about cutting taxes for the wealthy while eliminating educational grants for poor is sure to raise the question of fairness.

### **Fairness the Issue**

Fairness is an issue at the heart of the debt ceiling debate, as evidenced by the recent primetime addresses by President Obama and House Speaker Boehner. The President argued that we cannot "ask a senior citizen to pay more for her Medicare before we ask a corporate jet owner or the oil companies to give up tax breaks that other companies don't get." The Speaker countered, "The president has often said we need a 'balanced' approach — which in Washington means: we spend more . . . you pay more. Having run a small business, I know those tax increases will destroy jobs." Students should be encouraged to grapple with these issues and explore the question of fairness in U.S. fiscal policy.

As students become interested in the topic, the central issue of fairness can be expanded into the international arena. Is it fair that one nation's "collective insanity" can have a severe impact on the global economy? Does the United States have a responsibility help maintain the wellbeing of the global economy? These are the types of questions that global studies teachers should explore with their students. While these discussions may not be a part of the traditional course of study, opportunities abound to infuse these ideas into lessons that are a part of every global studies curriculum.

Here we outline four additional suggestions to infuse discussions about global debt into social studies classrooms. First, since a focus on personal finance dominates non-AP economics classes, the topic of global debt should be connected to this focus on personal finance in order to make an impact on students' daily lives. This topic must be made practical and applicable to personal finance or students will be less likely to care about these topics. Similarly, we suggest that lessons on global debt should be made "applicable to real life." Given the growing diversity of the American school-age population, these lessons must address the needs of all learners.

Second, schools need instructional materials that provide compelling and accessible materials for teachers who are less familiar with fiscal policy topics

or have no background in economics or public policy. Curricula should be designed around questions such as: Where does governmental debt come from and where is it going? How should governmental debt be reduced? Should governments be running a deficit — why or why not? Further, teachers who are already prepared to examine social issues and governmental policy would easily be able to apply their existing understandings to curricular materials with which they may be less familiar. This material should combine challenging intellectual content with opportunities to engage students in dialogue about controversial public issues, both in school and in the community.

Third, students must be able to analyze arguments in favor of or against a particular policy decision that is based, in whole or part, on mathematical and/or statistical information. As such, they need to be able to use these same mathematical and/or statistical understandings to develop their own points of view in a responsible way. This is an opportunity for interdisciplinary work in social studies and mathematics, enabling students to use mathematical skills to evaluate decisions about global debt.

Fourth, curricula on global debt should focus on public policy dilemmas tied to regularly taught topics in social studies classes at the secondary level. Teaching about these topics is controversial, and, as such, will elevate student interest. Curricula designed around questions of lasting interest, using inquiry-oriented activities, and encouraging multiple perspectives on the issues would spur teachers to include these topics in their classes. Such issues-centered curricula would enable interdisciplinary connections across social studies to enhance student knowledge of civic and financial issues and their impact on global debt.

In conclusion, high school students have the capacity to grasp essential concepts about debt on the global scale. Unfortunately, students are not taught about the global debt through student-centered pedagogy aimed at higher order thinking skills. Further, these students are not provided opportunities to interpret these topics as the result of choices made by those in policy. Very few chances are given in today's classrooms to engage these topics as citizens and future voters.